

VZCZCXRO0358
RR RUEHCN RUEHGH
DE RUEHGH #0384/01 2550740
ZNY CCCCC ZZH
R 110740Z SEP 08
FM AMCONSUL SHANGHAI
TO RUEHC/SECSTATE WASHDC 7138
INFO RUEHBJ/AMEMBASSY BEIJING 2096
RUEHCN/AMCONSUL CHENGDU 1383
RUEHGH/AMCONSUL GUANGZHOU 1354
RUEHHK/AMCONSUL HONG KONG 1535
RHEHAAA/NSC WASHINGTON DC
RUEHUL/AMEMBASSY SEOUL 0226
RUEHSH/AMCONSUL SHENYANG 1377
RUEHIN/AIT TAIPEI 1190
RUEHKO/AMEMBASSY TOKYO 0360
RUEHGH/AMCONSUL SHANGHAI 7722

C O N F I D E N T I A L SECTION 01 OF 02 SHANGHAI 000384

SIPDIS

STATE FOR EAP/CM AND DRL
NSC FOR WILDER, LOI

E.O. 12958: DECL: 9/11/2033
TAGS: [CH](#) [ECON](#) [ETRD](#) [KIRF](#) [PGOV](#) [PHUM](#)
SUBJECT: EAST CHINA HUMAN RIGHTS ACTIVISTS ON IMPACT OF OLYMPICS AND
POTENTIAL POLITICAL FALLOUT FROM ECONOMIC SLOWDOWN

REF: A. (A) SHANGHAI 322
[1](#)B. (B) SHANGHAI 320

CLASSIFIED BY: Christopher Beede, Political/Economic Section
Chief, U.S. Consulate General, Shanghai, Department of State.

REASON: 1.4 (b), (d)

[1](#)1. (C) Summary: Three East China human rights activists told Poloff on September 10 that their activities were tightly constrained during the recent Beijing Olympics with one of the activists prevented from traveling to the United States to attend a conference. Local security forces currently are in the process of loosening controls, however, partly because the police lack the funding to continue to maintain close surveillance. There is growing concern in East China, they said, of the potential political fallout of slower economic growth as a result of the economic downturn in the United States. They claim there is growing social discontent in the export processing industrial areas of Zhejiang and Jiangsu Provinces where they say unemployment is growing and wages are stagnating. The activists said they are worried that hard economic times -- particularly if East China experiences a sharp or sudden decline -- will lead to social instability and more crackdowns by the authorities. End Summary.

Beijing Olympics Restrictions Reach Hangzhou

[1](#)2. (C) Wen Kejian, a well-known human rights activist and member of the Independent Chinese Pen Center, said political activities in his hometown of Hangzhou, Zhejiang Province, were tightly constrained during the Beijing Olympics despite the long distance from the capital (see also Ref A). Routine meetings with friends and other activists to chat about issues over tea or to discuss problems informally were broken up by police. Activists who traveled to the countryside were followed by at least two police officers who then prevented discussions with rural residents. Wen said many of his friends in Beijing were placed under house arrest during the Olympics, and while restrictions in Hangzhou were not as stringent, activities still were constrained.

[1](#)3. (C) Wen experienced the Olympic restrictions first-hand when he was prevented from traveling via Hong Kong to the United States on July 22 to attend a conference at the Stanford University Center on Democracy, Development, and the Rule of

Law. (Note: The incident later was reported by Voice of America (VOA) and on the Internet in China. End Note.) Wen said he underwent a seven-month process to be able to participate in the seminar at Stanford, but his hopes of attending were dashed when he was detained at the Luohu border crossing in Shenzhen and prevented from traveling despite holding a valid U.S. visa.

Restrictions Finally Loosening

¶4. (C) The good news, the three activists agreed, is that the Olympic-period restrictions now appear to be loosening. A major reason for the change, they commented, is that posting extra police and immigration officials is too expensive, and the local authorities do not have sufficient funding to continue to maintain close surveillance on human rights activists. Zhuang Dadao, a Zhejiang-based lawyer, said he is optimistic that he will be allowed to travel to Washington, D.C. for a law symposium in October.

Political Impact of Economic Slowdown

¶5. (C) With the Olympics over, the activists said the next significant socio-political concern in East China will be the potential political fallout of slower economic growth as a result of the economic downturn in the United States (Ref B and previous). With GDP growth predicted to possibly drop below 10 percent in 2008 as a result of slowing exports to the United States, residents of East China increasingly are concerned about their employment prospects, they said. Eric Tsui, the Vice Chairman of the Jiangsu Garments Guild as well as the Vice President of the Wujiang Youth Union, said the new Labor Contract Law also has hurt wage laborers whose companies are

SHANGHAI 00000384 002 OF 002

complying with the law and have now shortened shifts to eight hours. Those workers now are dissatisfied with their lower earnings (fewer hours means less total pay), particularly as they face rising costs, Tsui said.

¶6. (C) Tsui and Wen added that workers' dissatisfaction will grow, particularly if there is a sudden economic decline. A sharp downturn would cause the level of dissatisfaction to "explode," Tsui said. Wen Kejian said he is worried that rising discontent and growing social instability will lead to more crackdowns by police.

Comment: Economic Downturn's Social Impact

¶7. (C) The economy's impact on social instability usually has been the subtext for any discussion with local government officials about maintaining high GDP growth rates. It is therefore not surprising to hear political activists voice their own concern about the potential political fallout of the current economic slowdown. Given economic concerns by local officials in export-focused Zhejiang and Jiangsu (Ref B and previous), it is possible that we will hear more economic commentary from political activists in East China. End Comment.

CAMP